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State of Utah

DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

Supervisor ARZ

Inspection Report Minerals Regulatory Program Report Date: September 2, 2004

Mine Name: Black Butte

Permit number: S/015/080

Operator or Permittee Name:

Inspection Date:

GoldTerra

Permittee Mailing Address:

4088 E. Airport Rd., Box 783, Price, UT 84501

Inspector(s): Paul Baker

Participants: No others

Inspection Start Time: Abt. 3:15 PM

Inspection End Time: Abt. 3:45 PM

Weather: Partly cloudy with thunderstorms in the area, 90's

Site location/Area Inspected (i.e. Pit #):

Permit Status: Inactive

Entire site

Current Acreages:

Surface Ownership: SITLA

Total Permitted (Bonded): 5

Mineral Ownership: SITLA

Total Disturbed: Unknown--about 2

Mineral Mined: Gold from clay

Type of Mine: Surface

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

There was no specific purpose for the inspection except to see the condition of the site.

Inspection Date: June 30, 2004; Report Date: September 2, 2004

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Inspection Summary:

General Comment:

The site has changed little since the last inspection on March 28, 2003. I believe there has been little or no activity since that date although the annual report says the operator planned to excavate material and haul it to the pilot plant at the rate of 50 tons per day.

Not counting the road, the mine has disturbed about one acre. This disturbance consists of a pit about fifteen feet deep with a pile of excavated material next to it (Photos 3 and 4).

2. Public Safety

The pit walls are sloped such that a person or animal falling in to the pit could get out (Photo 3).

6. Roads

The road has deteriorated since the last inspection in March 2003. It does not appear to have been used in the interim. The road crosses several small washes (Photo 2) and two larger ones. I was able to drive across the first larger wash (in four wheel drive), but I could not get across the second one (Photo 1).

The Notice of Intention says culverts will be installed in these two larger drainages but this has not been done. If the operator begins hauling material from the mine, the culverts should be installed.

Directions to the site:

Directions to the site are given in the report for the March 28, 2003, report.

GPS data:

I did not take GPS data.

Inspector's Signature



Date: September 2, 2004

PBB:jb

cc: Dan Sheppard, Operator
Will Stokes, SITLA

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ATTACHMENT
Photographs

S/015/080, Black Butte Mine, GoldTerra

Inspection Dated: June 30, 2004; Report Dated: September 2, 2004

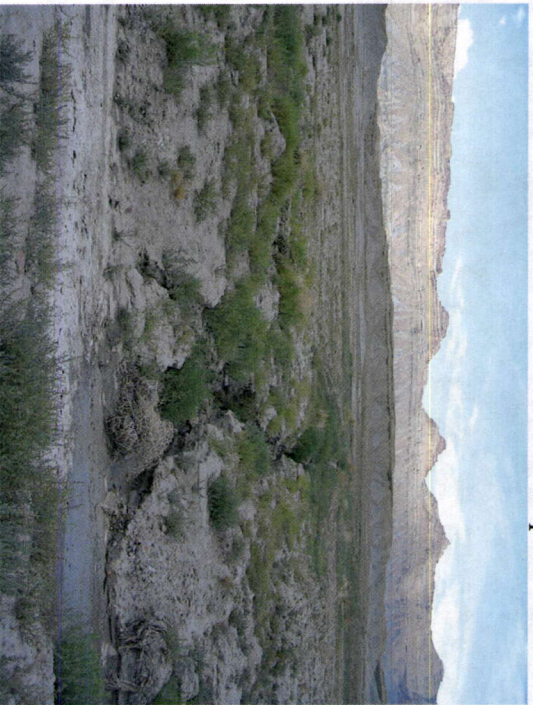


Photo 1. The second drainage crossing. I did not attempt to cross this drainage in my truck.

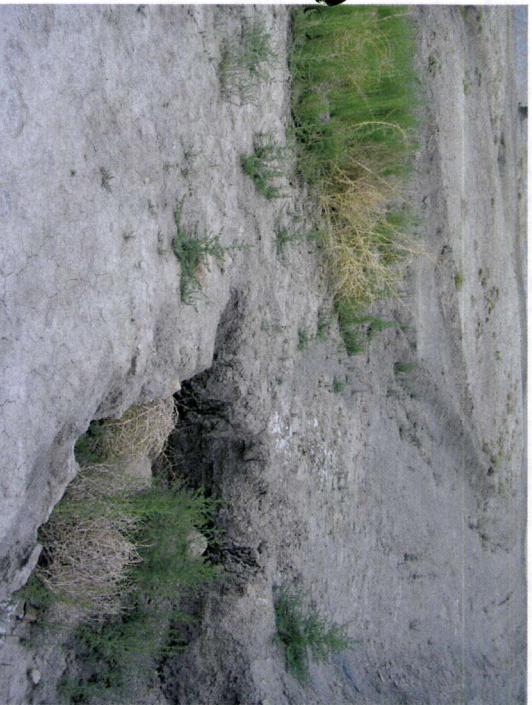


Photo 2. This is where the road crosses one of the minor drainages. I do not believe this road has been used recently.



Photo 3. The mine pit. Note how the bottom is sloped on the far side; a person falling in to this pit could get out.

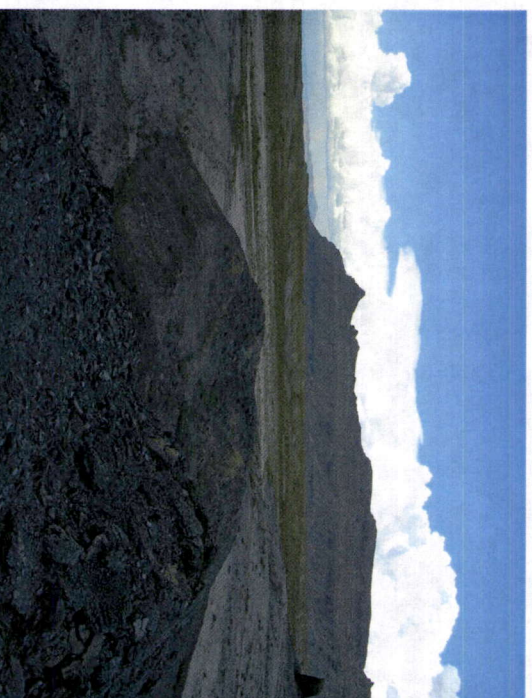


Photo 4. The pile of excavated material next to the pit.